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14 Attorneys for Cross-Complainants, OLIVIA KARPINSKI

15 U.S. DISTRICT COURT
16 CENTRAL DISTRICT OF CALIFORNIA
17 SOUTHERN DIVISION
18

19 BRUCE CAHILL, an individual, Greg
20 Cullen, an individual, Shane Scott, an
21 individual, Ron Franco, an individual
22 and Pharma Pak, Inc. a California
23 Corporation

24 Plaintiffs,

25 vs.
26
27
28

Case No.: 16-cv-00686 AG

COUNTER – CLAIM AND CROSS-
FIRST AMENDED COMPLAINT
FOR:
RICO
SEXUAL HARASSMENT,
WRONGFUL TERMINATION,
ASSAULT,
BATTERY
AND DAMAGES

DEMAND FOR JURY TRIAL

1 PAUL PEJMAN EDALAT, an
2 individual, OLIVA KARPINSKI, an
3 individual, FARAH BARGHI, an
4 individual, SENTAR
5 PHARMACEUTICALS, INC., a
6 Nevada Corporation, BLUE TORCH
7 VENTURES, INC., a Wyoming
8 Corporation, LIWA, N. A., a Wyoming
9 Corporation, SENTUS LAND
10 MANAGEMENT, LLC, a Wyoming
11 Limited Liability Company,
12 Defendants
13

14
15 OLIVIA KARPINSKI
16 Cross-Complainant

17 Vs.

18 BRUCE EDWARD CAHILL, an
19 individual, Gregory David Cullen, an
20 individual, Shane Ryan Scott, an
21 individual, Ronald Ventura Franco,
22 an individual, Pharma Pak, Inc., a
23 California Corporation, Life Tech
24 Global LLC and Does 1 to 100
25 Cross-Defendants
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1 CROSS-COMPLAINANT alleges as follows:

2 GENERAL ALLEGATIONS

3 ALL ALLEGATIONS CONTAINED HEREIN ARE DIRECTLY RELATED TO
 4 THE VIOLATION OF 28 USC 1961, 1963 AND 1964. THE
 5 ADDITIONALLY CLAIMS FOR RELIEF ARE BASED UPON THE FACTS
 6 THAT CROSS-DEFENDANTS WERE ACTING WITHIN THEIR SCOPE
 7 OF A CONSPIRACY AND DOING ALL THINGS NECESSARY TO
 8 COMMIT A CRIMINAL ACT. THEREFORE, ALL CLAIMS WHICH ARE
 9 NOT DIRECTLY FEDERAL CLAIMS ARE BASED UPON FCP RULES, 13,
 10 14, 19 AND 20 BECAUSE OF THE FACT THAT ALL CLAIMS ARE
 11 RELATED TO THE RICO CLAIMS. ADDITIONALLY, ALL REFERENCES
 12 TO ANY EXHIBITS IN THIS CROSS-COMPLAINT REFER TO EXHIBITS
 13 WHICH WERE ATTACHED TO THE ORIGINAL CROSS-COMPLAINT
 14 AND WILL INCORPORATED HEREIN BY THIS REFERENCE IN LIEU OF
 15 ATTACHING THE COPIES THERETO AGAIN.

- 16 1. CROSS-COMPLAINANTS are and, at all times relevant herein,
 17 Citizens of the State of California.
- 18 2. CROSS-COMPLAINANTS were wrongfully terminated when they
 19 reported to the majority shareholder that the present management of
 20 the Company was participating in the manufacturing of illegal, Class I
 21 drugs without proper licensing. The Majority shareholder called the
 22 police, who found the illegal drugs, and removed them. Attached as
 23 Exhibit A is a true and correct copy of the responding police officer's
 24 business card, along with the incident number assigned to this
 25 investigation. Management found out that the police had been called,
 26 they shut down operations and fired all employees because the police
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1 had been notified. This was an act of absolute retaliation by Cahill,
2 Scott, Cullen, and Franco.

3 3. CROSS-COMPLAINANT Karpinski is also suing Cahill for sexual
4 harassment, assault and battery.

5 4. Olivia Karpinski, joined Pharma Pak, Inc., June 1, 2015 some 4 months
6 after the company was formed. Attached as Exhibit B is a copy of
7 Pharma Pak, Inc.'s Articles of Incorporation as filed with the State of
8 California by Pharma Pak attorney Timothy Balog of Balog and Rasch,
9 LLP on February 10, 2015. At the time of her hire, as Director of Sales,
10 she accepted a cut to her base salary and commission percentage,
11 and accepted a base of \$72,000 per year, plus reduced benefits.
12 Attached as Exhibit C is a true and correct copy of Karpinski's
13 employment agreement signed by Plaintiff Cahill.
14 On November 6, 2015, Karpinski was promoted by plaintiff Cahill to
15 Executive Vice President of Sales and Marketing, with a salary
16 increase to \$120,000 per year, plus benefits. Attached as Exhibit D is
17 a true and correct copy of Karpinski's employment agreement signed
18 by Plaintiff Cahill. Contrary to the allegations of the Plaintiffs, Karpinski
19 brought many different sales accounts to Pharma Pak, Inc., many of
20 which Plaintiffs' would go on to poach for Pharma Pak, Inc.'s successor
21 corporation Life Tech Global LLC (possibly doing business as Pharma
22 Patch, Inc).

23 5. At the time of her employment Karpinski was advised by Cahill that
24 the Company was well capitalized, and that he would make
25 "[Karpinski] a millionaire". Cahill was well aware this was not fact, and
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1 fraudulently induced Karpinski to accept employment with the
2 Company.

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4 6. Cahill and Wood repeatedly promised, and failed, to pay both
5 Karpinski's health insurance and vehicle payment: parts of her benefit
6 package with the Company. Attached as Exhibit E is a true and
7 correct copy of an email from Karpinski, to both Wood and Cahill
8 regarding failure to pay for medical insurance in a timely manner
9 dated March 10, 2016.
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12 7. It was not until meeting Cahill's wife, Karen Jane Cahill (née Grobba),
13 that Karpinski became aware of potential financial troubles of both
14 Cahill personally, and Pharma Pak. During a business meeting at the
15 Cahill family home in Laguna Beach, California with Cahill, Edalat,
16 shareholder John Crowther, and other associates, Karen Cahill
17 stated, "I hope you can all get something going with Pharma Pak so
18 that we can keep the house"
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22 8. At the time she was promoted by Cahill on November 6, 2015, he
23 attempted to kiss her. Cahill grabbed Karpinski's arm, and pulled her
24 bodily towards himself in a thwarted attempt to kiss Karpinski. She
25 deflected the kiss by turning her face away, and pulling her body
26 away from Cahill. Plaintiff Cahill has a history of unwelcome sexual
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1 advances, verbal conduct of a sexual nature, and creation of a
2 hostile, intimidating, and offensive work environment, as set forth
3 herein:
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5 9. Upon Karpinski's employment with the Company, there was no
6 sexual harassment training, statement, or manual. Given that
7 Karpinski was one of two female employees of Pharma Pak, Inc.,
8 such training and documents are necessary. Furthermore, the
9 Company had no formal Human Resources department, only a de
10 facto person in charge of HR related matters, Cahill's long time
11 lackey Leslie Harold Wood. Given Wood's long time employment and
12 relationship with Cahill, Karpinski was uncomfortable reporting
13 Cahill's behavior.
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18 10. Cahill, against Karpinski's wishes and complaints, would find
19 ways to place his hands upon Karpinski's person. Shoulder rubs, pats
20 on the leg, and unwelcome hugs, among other actions, generally
21 construed as normal between friends, were not ignored by Karpinski,
22 who made multiple requests for Cahill to stop, stating that she –
23 Karpinski – did not like being touched. Pharma Pak, Inc. had no
24 dedicated Human Resources department, no mandated entity to
25 whom to make complaints, nor any manuals on sexual harassment
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1 reporting. As Karpinski had made many large personal investments of
2 time and resources (attending out of town Company meetings without
3 reimbursement, attending after hours meetings on short notice, and
4 moving her residence to Orange County in order to focus on Pharma
5 Pak, Inc.) into the Company, she feared losing her job should she
6 lodge any formal complaints against Plaintiff Cahill or speak to other
7 Pharma Pak, Inc. Shareholders regarding his unwelcome advances
8 and verbal conduct.
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12 11. Following the close of the first large Pharma Pak, Inc. contract
13 on June 12, 2015 with Ithica Enterprises, Cahill invited Karpinski to a
14 celebratory lunch at Il Fornaio in Irvine, California, a restaurant that
15 Cahill is known to frequent. Attached as EXHIBIT F, is a true and
16 correct copy of a photograph of the contract signature page, showing
17 both Cahill and Karpinski's execution of the document. During this
18 presumed business lunch, Cahill proceeded to order a large bottle of
19 wine and become visibly intoxicated. He made many advances on
20 Karpinski, who rebutted these advances. Karpinski, again concerned
21 for her employment, was unable to leave without fear of
22 repercussions.
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27 After this lunch, the dynamic between Cahill and Karpinski radically
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1 changed. He would make frequent comments regarding Karpinski's
2 "cute young friends" (a reference to Karpinski's former modeling
3 career), and invited Karpinski to bring her friends, the age of Cahill's
4 own daughter, Kira, to his home in Laguna Beach, California. As
5 illustrated further, Cahill made other such sexually derogatory
6 comments towards women and, Karpinski herself, in Karpinski's
7 presence.
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10 12. On or about November 6, 2015, Karpinski signed a new
11 employment agreement with the Company (countersigned and
12 approved by Cahill). At the conclusion of the meeting, Karpinski
13 shook Edalat's hand, and as Edalat left the conference room, moved
14 to shake Cahill's hand as well. At this time, Cahill pulled Karpinski in
15 for a hug, and kissed Karpinski against her will. This inappropriate
16 maneuver is indicative of Cahill's presumptive manner regarding
17 women, a pattern that is long standing, (he has done a woman a
18 favor, and now she 'owes' him in some way). The Company had no
19 dedicated Human Resources department, no mandated entity to
20 whom to make complaints, nor any manuals on sexual harassment
21 reporting.
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1 13. By creation of a hostile and offensive work environment, Cahill
2 intentionally threatened Karpinski and thwarted her ability to conduct
3 her job in an efficient manner.

4
5 Cahill deliberately created undue tension between Dr. Ludwig Jan
6 Weimann, Pharma Pak, Inc.'s Chief Technical Officer, and Karpinski.
7
8 On or about July 28, 2015 in an attempt to defame Karpinski, and
9 stop her from working with lab personnel, (a specified job duty in her
10 employment contract), Cahill stated to Weimann that, "Olivia thinks
11 you are stealing patch material", a reference to the substrates and
12 materials used in the research and development of transdermal
13 patches in the 17809 Gillette Ave facility.
14
15 A maliciously false statement, Cahill instigated Weimann to terminate

16 his employment with Pharma Pak, Inc. that same day, as well as
17 demand Karpinski's termination.
18
19 Upon Dr. Weimann's return to Pharma Pak, Inc., his relationship with

20 Karpinski was noticeably less cordial, and bordered on the hostile at
21 times. Attached as Exhibit G are true and correct copies of hostile
22 emails from Weimann to Karpinski questioning Karpinski's
23 knowledge, job performance, and loyalties to Pharma Pak, Inc.
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1 14. Cahill perpetuated, and encouraged, a pattern of fear and
2 hostility within the Company, as a way to maintain control over the
3 Employees. Cahill would frequently make his displeasure known by
4 slamming office doors and exaggeratedly making noise with his
5 belongings around his office. On around January 30, 2016, Karpinski
6 was told by Cahill that Weimann stated, “[Weimann] does not take
7 orders from women”, specifically referring to Karpinski and her
8 request for technical documentation on the CBD patches Weimann
9 was developing for Pharma Pak, Inc. Karpinski needed this data in
10 order to apply for the appropriate Food and Drug Administration
11 approval for the medical device Weimann was developing. Affronted,
12 Weimann refused to perform any further work that may assist
13 Karpinski.
14

15 Cahill, as CEO and de facto leader, found humor in the situation and
16 did nothing to remedy this hostile work environment. Cahill then
17 further inflamed the open hostility of Weimann by following this in
18 person statement with an email to Karpinski on February 1, 2016 that
19 “[Weimann] will no longer take orders from [Karpinski]”; attached as
20 Exhibit H is a true and correct copy of this email, along with an
21 accompanying email from Weimann, stating, “[his] boss is Bruce
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1 Cahill”.

2 On or about February 15, 2016, Weimann sent another email to
3 Karpinski, stating that she did not “understand the cannabis
4 business”, and that the quality or purity of cannabinoid, “CBD”, used
5 in production was irrelevant. Attached as Exhibit I is a true and
6 correct copy of this email.
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9 15. In about December 2015, Cahill made further sexually
10 derogatory, inappropriate, and unwelcome comments to Karpinski, in
11 an attempt to humiliate her in front of her colleagues, by addressing
12 her with such diminutive terms as “honey” and “babe”, as well as
13 saying “thanks honey”, and “nice skirt” during a meeting with Dr.
14 Ludwig Weimann, Pharma Pak, Inc. Vice President of Manufacturing
15 Ertan Aydinol, and a potential supplier.
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18 Cahill made comments about Karpinski’s appearance, clothing, and
19 youth, on multiple occasions, and would further use comments
20 related to Karpinski’s appearance as a way to ‘close’ potential sales
21 accounts. Karpinski had no one to report these incidents to. The
22 Company had no dedicated Human Resources department, no
23 mandated entity to whom to make complaints, nor any manuals on
24 sexual harassment reporting.
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1 16. On or about November 25, 2015, in a meeting with potential
2 web developer Gaby Moussa of GMI Design, Pharma Pak, Inc. I.T.
3 contractor Mark Erfurt, and Karpinski, Cahill made the comment “if it
4 fucks, flies, or floats: rent it”, a reference to women as commodities to
5 be bought and sold.
6

7
8 17. Cahill regularly offered to drive Karpinski to meetings or events.
9 On one such occasion on November 19, 2015, a meeting in San
10 Diego with potential supplier Stephen McCamman, Cahill left copies
11 of ‘Playboy Magazine’ plainly visible in the vehicle, knowing that
12 Karpinski would be a passenger, and that she would be with him for
13 many hours.
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16 18. In a meeting with Aydinol, Edalat, Karpinski, and Andy Bharath,
17 Cahill’s friend, Cahill stated that, “[Cahill’s] wife is married, I am not”.
18 A reference to his long-standing extramarital affairs.
19

20 19. Cahill’s pattern of sexual harassment, sexually motivated
21 derogatory comments, and sexualized unprofessional behavior was
22 not limited to Company employees.
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24 During Company lunches at local diner Arnie’s Manhattan Deli in
25 Newport Beach, California, Cahill would go out of his way to lavish
26 attention on the young waitresses employed there. Inviting them on
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1 outings, such as rides on his motorcycle, making comments about
2 their physical appearance in front of Pharma Pak, Inc. employees,
3 including his son Brent, and referring to them with such diminutive
4 terms as “honey” and “babe”.
5

6 Cahill regularly purchased gifts for his “special” waitress, SueAnn
7 Challita. On one such occasion, during a Company lunch with Brent
8 Cahill, Karpinski, and Edalat, Cahill made a detour to a local
9 pharmacy to purchase a birthday card and balloons for SueAnn, an
10 incident demonstrative of his focus on other women.
11

12 Cahill would, in front of Karpinski and others, make comments about
13 his own daughter, Kira Cahill, and the “hot little friends” his daughter
14 would bring to the family home in Laguna Beach, California.
15

16 Cahill stated on many occasions that he enjoyed it when his daughter
17 brought her young friends to his home.
18

19 Cahill also repeatedly made similarly perverse comments about the
20 women he saw while on college tours with his teenage son Brent
21 Cahill. He made such comments as “you should have seen all the
22 cute girls,” and that if he [Cahill] were Brent, “he would have gone to
23 USC for the girls”. Cahill was disappointed when his son chose to
24 attend the prestigious California Institute of Technology, as he felt the
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1 young women there were “socially awkward” and unattractive, stating
2 that “ugly girls don’t put out”. Seeing how Cahill spoke about, and
3 treated, young women, made Karpinski very uncomfortable, but
4 without a formal HR department at the company, and concerned for
5 her employment, Karpinski had no one to make a complaint to.
6

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8 20. In a malicious attempt to slander and defame both Karpinski
9 and Edalat, Cahill began subversively perpetuating a rumor to
10 common business associates and mutual friends that Karpinski and
11 Edalat were engaged in an illicit affair. Regardless of the fact that
12 Karpinski was in a committed relationship at the time. Said rumor is a
13 manipulative attempt to discredit both Karpinski and Edalat, a tactic
14 Cahill is familiar with and has perpetuated on many occasions.
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18 21. Cahill, and his son Brent (employed by Pharma Pak, Inc. as a
19 financial analyst) used the cover of Company funded meetings in Las
20 Vegas to as unauthorized, Company funded, vacations.
21

22 At one such meeting during the very early days of Karpinski’s tenure,
23 Cahill brought with him a Dr. Stefanie Bernritter Kleine or “Dr. K”,
24 whom Cahill stated held three PhD’s from the University of California,
25 Los Angeles, the University of Chicago, and Pepperdine University.
26 Attached as Exhibit J is a screen shot of Bernritter-Kleine’s public
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1 Facebook.com profile. Exhibit K is a true and correct copy of Cahill's
2 email to Edalat dated February 18, 2106 wherein Cahill states that
3 "Dr. K" was a neurological expert, and actively working with the
4 National Football League conducting concussion research, and
5 further that "Dr. K" was a well respected researcher for children's
6 brain issues. (It would later be discovered that Kleine holds no such
7 credentials.) Attached as Exhibit L is a print out of Kleine's own web
8 page, WorkingMindsCoaching.com, and Kleine's curriculum vitae as
9 posted on this web page.
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13 Despite Cahill's statements, and insinuations that Kleine would be
14 acting in an advisory capacity to Pharma Pak, Inc., at no time was
15 "Dr." Kleine involved in furthering Pharma Pak, Inc. business
16 opportunities despite her presence at these meetings. In fact, Cahill
17 referred to Kleine as his "assistant" in the presence of potential
18 Company partners, allowed her to attend confidential meetings,
19 discussed with her confidential Company information, and further had
20 Kleine accompany him on a trip to a local strip club. Cahill, in an
21 unauthorized use of Company funds, paid for her travel and meals,
22 and allowed Kleine to charge spa services to his Company funded
23 suite at the Wynn Encore Hotel in Las Vegas, Nevada. Attached as
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1 Exhibit M is a screen shot of Kleine's own social media page, placing
2 her at the Encore the same weekend as Cahill, with a picture of the
3 suite.
4

5 Plaintiff Cahill's behavior placed Karpinski in an uncomfortable
6 situation, as she was, from time to time, forced to interact with Cahill's
7 wife Karen Jane Cahill (nee Grobba), a frequent visitor to Pharma
8 Pak, Inc.'s primary administrative offices at 17802 Sky Park Circle in
9 Irvine, California.
10
11

12 22. Plaintiffs collectively accuse Karpinski of not attending to her
13 duties, taking frequent vacations or trips, and otherwise being
14 unavailable. This is a patently false statement.
15

16 23. Karpinski's business related trips to Las Vegas were to attend
17 related Company meetings, or industry related conventions. Karpinski
18 frequently took her personal time, including evenings, holidays and
19 weekends, to attend these events, paying for her own non-flight
20 expenses without reimbursement.
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22

23 24. Throughout Karpinski's tenure, she took less than 3 vacation or
24 sick days, instead focusing on developing the Company. Karpinski
25 spent much of her personal time, including late nights, holidays, and
26 weekends, on Company business. Plaintiffs' also neglect to
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1 acknowledge that Karpinski moved her home from Los Angeles,
2 California to Orange County, California, in order to devote more time
3 and attention to the Company.
4

5 25. Throughout Karpinski's tenure, Cahill would frequently take
6 international vacations, attend to personal business during Company
7 hours, be unavailable for Company meetings, fail to follow through on
8 operations related concerns or potential business ventures, and took
9 frequent "business" trips to Colorado to "visit" potential suppliers,
10 sales accounts, or Aydinol, who is believed to reside in Boulder,
11 Colorado. However, it is believed Cahill's trips to Denver and Aspen
12 coincide with visits to Dr. Kleine, who currently resides in the Denver
13 area.
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18 26. Karpinski met with Plaintiff Scott telephonically and in Las
19 Vegas to discuss marketing of Pharma Pak, Inc.'s pending CBD
20 patches.
21

22 27. Karpinski had little contact with Plaintiff Cullen. Through
23 Cullen's verbal representations, she is aware of his supposed
24 Harvard education, his work with a so called Harvard Investment
25 Group, his various real estate dealings, and his former ventures with
26 Cahill – including a food manufacturing operation shut down by
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1 regulatory authorities.

2 During a meeting in or around the latter part of January 2016, Cullen
3 stated to Karpinski that he was a 'King' and she is a 'peon'. He further
4 advised during this same meeting that Company Shareholders were
5 looking at alternative options to replace Cahill, in light of the recent
6 events.
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9 28. Karpinski had little contact with Plaintiff Franco, and only knows
10 of his frequent travel to Thailand through statements made by Cahill.
11

12 29. In or about January of 2016, Karpinski began to notice a shift in
13 the corporate atmosphere at Pharma Pak, Inc. Unbeknownst to her at
14 that time, it had been discovered that Plaintiffs' and non-plaintiff
15 shareholders were in dispute regarding Cahill's corporate
16 misconduct, including fraud and embezzlement.
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19 30. It was around this time that Cahill, in a closed door meeting,
20 interrogated Karpinski regarding meetings she attended on behalf of
21 Pharma Pak, Inc., meetings she initiated on behalf of Pharma Pak,
22 Inc., her general work for Pharma Pak, Inc., and her relationship with
23 fellow defendant Edalat. Attached as Exhibit N is a true and correct
24 copy of Karpinski's follow up email to Cahill on January 31, 2016.
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1 31. In or about February of 2016, Karpinski and the other Pharma
2 Pak, Inc. employees- excluding Weimann, Aydinol, and Wood-
3 discovered that Cahill, Cullen, Scott, and Franco had conspired with
4 Weimann and Aydinol to produce, among other things, unapproved
5 medical devices containing illegal Tetrahydrocannabinol “THC”, a
6 Schedule 1 drug, at the Gillette Avenue facility, despite the lack of
7 appropriate licensing. Karpinski learned of this from potential Pharma
8 Pak, Inc. distributor, Erron Present. Present stated to Karpinski,
9 “[Cahill] is one to look in to my background to see if I qualify for a
10 [patch] machine when he manufactured THC pills out of [Gillette] and
11 I can prove it. [Weimann] gave me 5 and 10mg THC pills and they
12 didn’t work.” After learning of this, Karpinski notified Edalat. Edalat,
13 upon consultation with the Food and Drug Administration and others,
14 informed the Irvine Police Department. Upon their investigation in the
15 building, the responding officers noted that the stash of
16 Tetrahydrocannabinol “THC”, found within the building is the largest
17 they had seen to date. There is currently an open investigation with
18 the Irvine Police Department, Case Number 16-3257, assigned to
19 Detective Grange. Attached as Exhibit O is a true and correct copy of
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1 the Irvine Police Department business card with the pending
2 investigation case number.

3 32. A few days after this police investigation, Dr. Weimann
4 informed Cahill and plaintiffs, that the police had removed the THC
5 from the building, and Cahill fired some of the employees in
6 retaliation against Edalat.
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8
9 On March 3, 2016, Cahill, Wood, and the unnamed “private
10 investigator” told Karpinski that a “majority shareholder’s vote” had
11 dissolved the corporation. No such vote had taken place. Cahill,
12 Wood, and the “private investigator” told the other employees that
13 “[Edalat’s] actions” had caused them to be fired. The following
14 employees were harassed, threatened, and wrongfully terminated in
15 retaliation for reporting the illegal activities of Cahill, Weimann, and
16 the other Plaintiffs:
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20 33. Olivia Karpinski
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22 34. Luis Navarro
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24 35. Jesse Suarez
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26 36. Luz Navarro
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28 37. Alonso Navarro

38. Alex Rosales

1 39. Martin Garcia

2 40. On or about February 2016, it was discovered that Cahill had
3 forged Edalat's signature on a lease document for Cahill's 17802 Sky
4 Park Circle commercial building in Irvine, California. Attached as
5 Exhibit P is a true and correct copy of this forged lease. This building
6 is owned by Cahill's entity Kira Investments, LLC, a corporation that
7 is currently defunct and suspended by the State of California. A copy
8 of the California Secretary of State Business Entity Detail is attached
9 as Exhibit Q.
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13 41. Cahill damaged the Company materially by hiring employees,
14 and contractors, with questionable backgrounds, without performing
15 necessary due diligence or providing full disclosure to all Pharma
16 Pak, Inc. Shareholders:
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19 42. Dr. Ludwig Jan Weimann, Chief Technology Officer hired on or
20 about June 2015: An expert in transdermal patch delivery systems,
21 Weimann had formerly worked at an unlicensed transdermal patch
22 research and manufacturing facility in San Diego, California, illegally
23 producing Tetrahydrocannabinol "THC", Cannabidiol "CBD", and other
24 medical marijuana related patches and unregistered, unapproved,
25 medical devices. Weimann possessed a California medical marijuana
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1 card, and obtained samples of THC among other illicit substances
2 through his pre-existing relationships in the marijuana industry;
3 attached as Exhibit R are examples of Weimann's use of
4 cannabinoid, "CBD", and history of contacts within the marijuana
5 industry.
6

7
8 43. Mark John Erfurt, Information Technology Consultant engaged
9 at the formation of the Company in February 2015: Erfurt has a
10 criminal history for hacking, and unauthorized access into computer
11 systems of a Cahill competitor in 2003. Furthermore, Erfurt had been
12 convicted of obstructing an FBI investigation in order to protect Cahill
13 and his company, Centuar Corporation, and sentenced to five months
14 imprisonment as well as five months house arrest and three years
15 probation. A true and correct copy of the Department of Justice press
16 release dated August 31, 2004, and an article concerning the incident
17 dated December 1, 2004 are attached as Exhibit S. This had not
18 been disclosed to Edalat or the other shareholders and employees of
19 the Company. Erfurt was given full access to employee computers,
20 employee passwords, confidential Company information, given false
21 reimbursements, and exaggerated compensation. As of February
22 2016, Erfurt was paid in excess of \$26,000 through his company Tec-
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1 in-a-Sec, which holds no business license in Irvine, California, for
2 management of a pre-existing computer network encompassing
3 fewer than 7 full time users.
4

5 Furthermore, Erfurt has destroyed vital company records, including
6 electronic mail belonging to Defendants', and stolen non-PharmaPak,
7 Inc. servers and computer systems from the 17809 Gillette Facility.
8

9 44. Ertan Aydinol, Vice President of Manufacturing hired on or
10 about December 2015: Aydinol formerly worked with Weimann at the
11 unlicensed patch facility in San Diego, and at the time of his hire was
12 spending a majority of his time travelling between the United States
13 and Turkey, where his father purportedly owns a manufacturing
14 facility. Unbeknownst to Edalat, Karpinski and the other shareholders
15 and employees, but known to Cahill, Aydinol had previously been
16 investigated by the FBI for suspected bomb making activities,
17 although the FBI could not conclusively prove Aydinol's participation
18 in illegal activities, he was banned from "owning certain items".
19

20 Aydinol, despite not having performed any work for the Company,
21 was awarded a base salary of \$165,600 annually, plus full benefits
22 and full commission. A true and correct copy of Aydinol's unsigned
23 employment agreement is attached as Exhibit T. Aydinol had stated
24
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1 to Cahill that he had been making "over \$10,000 a month" at his
2 former employer; however, Cahill never did his due diligence, and it
3 came to light that Aydinol's actual previous salary was a fraction
4 thereof, and Aydinol's statements were purposefully fraudulent and
5 misleading. Most recently, Aydinol has been arrested for DUI and
6 possession related charges in Boulder, Colorado, where it is believed
7 he currently resides.
8

9
10 As of February 2016, Aydinol was paid bonuses and advances for
11 manufacturing in excess of \$38,000, not including cash removed from
12 the Pharma Pak, Inc. bank account under the guise of manufacturing
13 payment.
14
15

16 45. Leslie Harold Wood, controller, hire date unknown: Wood is a
17 long time employee of Cahill's, and by his own admission controls the
18 accounting for many of Cahill's entities, including Kira Investments
19 (aka Kira Invest), the Cahill Family Trust, Centaur Corporation,
20 Centaur Sales, the Bruce E. Cahill Family Trust, and other as to yet
21 unknown entities thought to total approximately 9 entities, as
22 according to Wood himself. Wood was given an initial \$1,800 per
23 month salary, that was then, without approval or proof of an
24 employment contract, raised to \$9,000 per month. Wood controls and
25
26
27
28

1 maintains the books and records, including accounting, for Cahill's
2 operations, signs all checks, orders supplies for these operations,
3 and oversees the movement of money between Cahill's various bank
4 accounts.
5

6 46. All four of these employees are currently employed by Life Tech
7 Global LLC (possibly doing business as Pharma Patch), the
8 successor corporation for Pharma Pak, Inc..
9

10 47. Cahill repeatedly sabotaged Pharma Pak, Inc. and conspired
11 with fellow plaintiffs Cullen, Scott, and Franco to defraud Edalat and
12 other investors in the Company, for their own gain. Examples of
13 these acts include but are not limited to:
14
15

16 48. Deliberate circumvention of State and Federal law to produce
17 illicit medical marijuana patches, including those containing
18 Tetrahydrocannabinol "THC", a Class 1 drug, in a self-styled
19 "clandestine" operation at Weimann and Aydinol's former employer in
20 San Diego, while Edalat was overseas.
21
22

23 49. In a December 5, 2015 email, Cahill stated "It also looks like will
24 can [sic] clandestinely use the MediPatch facility next week when Dr.
25 Williams is traveling". A true and correct copy of this email is attached
26 as Exhibit U.
27
28

1 50. In a follow up email on December 18, 2015, Cahill confirmed
2 that the supply of material used was below both Federal and the
3 supplier's own standards. A true and correct copy of this email is
4 attached as Exhibit V.
5

6 51. Cahill paid to Aydinol approximately \$19,000 for this illicit
7 production. Aydinol sent via text message a photograph of this
8 transaction to Karpinski on December 11, 2016 at 4:52 PM under the
9 heading "This is how I do business with Bruce...:) LOL". True and
10 correct copies of Aydinol's text message and accompany photograph
11 are attached as Exhibit W.
12
13

14 Location data of the photograph puts Cahill and Aydinol in La Jolla,
15 California, and depicts the interior of Cahill's late model Jaguar, with
16 Cahill holding stacks of \$100 dollar bills in his hands, and stacks of
17 \$100 dollar bills placed on the center console. It is believed that
18 Aydinol and Cahill kept the cash.
19
20
21

22 52. On or about February 11, 2016, Karpinski was contacted by
23 some of her ongoing sales accounts. A true and correct copy of an
24 example of such contact is attached as Exhibit X. Cahill had, in an
25 attempt to damage Karpinski's reputation and thwart her earning
26 potential, told Karpinski's sales accounts, distributors, and suppliers
27
28

1 that "[Karpinski] was out of the picture". Following her discovery of
2 this knowledge, Karpinski sent a follow-up email to the Shareholders
3 expressing her distress.
4

5 53. On around February 22, 2016, Cahill and Weimann attempted
6 to induce Karpinski into selling the illicitly made patches by accepting
7 cash in exchange for delivery of illegal materials. A true and correct
8 copy of Weimann's text message to Karpinski is attached as Exhibit
9 Z. Attached as Exhibit AA are photographs of Weimann and Erron
10 Present, conducting the transaction at a Starbucks near the 17802
11 Sky Park Circle administrative offices in Irvine, California. These
12 photographs also depict Weimann delivering cash to Cahill at the
13 17802 Sky Park Circle offices.
14
15
16

17 Believing this to be a set up in order to terminate her employment, a
18 criminal act as a violation of laws set place at the local, State, and
19 Federal level by the Federal Trade Commission, the Drug
20 Enforcement Agency for distribution of a Class 1 Drug, and the Food
21 and Drug Administration, as an unregistered medical device,
22 Karpinski refused to participate in the transaction and sent a follow up
23 email stating the same to Cahill and Cullen. Attached as Exhibit BB is
24 a true and correct copy of an email from Karpinski to Cahill and
25
26
27
28

1 Cullen dated February 22, 2016 11:35am regarding the transaction,
2 along with an email dated February 22, 2016 7:48pm.

3 54. Cahill grossly mismanaged, misappropriated, and embezzled,
4 from the corporate bank accounts, leading to the supposed
5 insolvency of Pharma Pak, Inc. Including but not limited to:
6

7 55. Grossly exaggerated compensation to Ertan Aydinol, Mark
8 Erfurt, Leslie Wood, and himself personally.
9

10 56. Cash payments to Aydinol for illicit patch manufacturing at the
11 San Diego facility of his former employer.
12

13 57. Overseas wire transfers to Aydinol for alleged machinery.
14 Delivery of these machines were then accepted by Pharma Pak, Inc.
15 successor company LifeTech Global LLC (possibly doing business as
16 Pharma Patch).
17
18

19 58. Payment of illicit salaries to himself, to the tune of \$20,000 per
20 month, without an employment contract or Board approval.
21

22 59. Payment of Cahill's own credit card through the Company
23 accounts.
24

25 60. Payment to Kira Investments (Kira Invest) based on a
26 fraudulent, forged, lease in excess of \$30,000.
27
28

1 61. Payment of Company funded travel to Las Vegas and Colorado
2 for non-company related activities, including a visit by Dr. Weimann to
3 Las Vegas, on or around September 29, 2015, for a visit to the 1850
4 Whitney Mesa property, under the guise of attendance at an industry
5 conference. Exhibit CC is a photograph of Weimann and Cahill inside
6 the property.
7
8

9 62. Conspiring with Leslie Wood for payment of other non-Pharma
10 Pak, Inc. expenses through the Company bank account without
11 approval. Thus depleting the bank account and not allowing for
12 purchase of necessary equipment or hiring of necessary personnel to
13 obtain licensing and being licensed production.
14
15

16 63. Despite her official Company title of Executive Vice President of
17 Sales and Marketing, Karpinski had taken on many operations related
18 roles otherwise left neglected by Cahill, in essence becoming a de
19 facto project manager. This required Karpinski to gather information
20 from different departments in order to assist in completing the
21 appropriate application and licensing forms, furthermore Karpinski
22 was left with the task of interviewing and sourcing appropriate
23 consultants, with the final hiring decision left to Cahill. Cahill
24 repeatedly failed to sign and approve applications for pharmaceutical
25
26
27
28

1 wholesale licensing in the State of California, repeatedly failed to
2 engage consultants to obtain specialty licensing for the various
3 manufacturing and operation models for QSR-820 (medical device)
4 and ISO 13485 210/211 (pharmaceutical preparations) that could
5 have been installed at the Gillette Avenue facility, repeatedly failed to
6 engage industry experts and consultants, and repeatedly refused to
7 engage appropriate legal counsel for the various manufacturing and
8 operation models, repeatedly failed to register the transdermal
9 patches with the FDA as a medical device or otherwise acquire the
10 necessary licensing to produce such medical devices, repeatedly
11 failed to obtain necessary equipment needed for production and
12 quality control, repeatedly failed to hire necessary personnel for
13 quality control and production compliance oversight, and flagrantly
14 disregarded Federal and State law by producing Schedule 1 drugs
15 without appropriate licensing in the Gillette Avenue manufacturing
16 facility, all despite repeated requests and advisement from Karpinski,
17 Edalat, Weimann and third-party industry experts. Attached as Exhibit
18 DD is just one example of Cahill's presence at meetings discussing
19 these items, and furthermore his on-going knowledge of Pharma
20 Pak's needs and concerns.
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1 64. Karpinski had attended meetings and negotiated contracts and
2 purchase orders with large pharmaceutical compound operations,
3 potential distributors for Pharma Pak, Inc. produced transdermal
4 patches, potential franchisees for Pharma Pak, Inc. owned machines,
5 and other potential business partners for additional products and
6 business models. Attached as Exhibit EE is a true and correct copy of
7 Weimann's February 21, 2016 email regarding what Weimann calls
8 Bruce's vision for Pharma Pak. Further, Weimann's email illustrates
9 that as of February 21, 2016, Cahill had still not obtained appropriate
10 manufacturing licensing.
11

12 However, all of these contracts were thwarted by Cahill and his
13 repeated refusal to implement operational needs, and Cahill's
14 repeated refusal to obtain the necessary licensure needed to close
15 these deals despite repeated operational requests for him to do so
16 dating back to at least March 2015, prior to Karpinski's hire.
17

18 65. Cahill conducted clandestine business overseas, including
19 foreign wire transfers from company accounts without approval.
20

21 66. In the weeks before Karpinski's termination, in a meeting at the
22 17802 Sky Park Circle administrative offices in Irvine, California,
23 Cahill discussed that a confidential deal had been struck with Aydinol
24
25
26
27
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1 and his associates in Turkey to manufacture nutraceutical patches for
2 Kazakhstan. Cahill, advised he did not want investor oversight in to
3 the Company and its operations and advised Karpinski to keep this
4 confidential from Edalat, stating "I'm sure whatever you talk about
5 with Paul is confidential, and whatever you talk about with me stays
6 here so we can focus on business."
7
8

9 67. Cahill and the plaintiffs, diverted funds from the Pharma Pak,
10 Inc. bank account in the final weeks, without permission from or
11 notice to non-plaintiff shareholders, moved company equipment and
12 assets to 2929 Oceanside Blvd, Oceanside, CA, and stole non-
13 company equipment from the Gillette Avenue office.
14
15

16 68. On March 3, 2016, Karpinski's employment with Pharma Pak,
17 Inc. was terminated by Cahill. While at the Gillette Avenue offices,
18 Cahill, Wood, Erfurt, and a hereto unnamed private investigator
19 questioned employees, and stated to them that "[Edalat's] actions" (in
20 reference to Plaintiffs' illegal activity reported to the police), had
21 caused the termination of the manufacturing facility employees. Cahill
22 and his investigator advised that a forensics team would be "entering
23 the lab" to "conduct an investigation", and that locks would be
24 changed.
25
26
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1 At this time, Erfurt removed computers, laptops, and servers not
2 belonging to Pharma Pak, Inc. Furthermore, they removed personal
3 property not belonging to Pharma Pak, Inc.
4

5 69. Despite his comments on March 3, 2016 to the other
6 employees that “[Edalat’s] actions” had caused their terminations,
7 Cahill and Wood told Karpinski that there had been a majority
8 shareholder vote by Pharma Pak, Inc. shareholders, and that as a
9 result the Company was being dissolved.
10
11

12 70. To the best of Karpinski’s knowledge, the following facts are
13 true:
14

15 71. As of March 4, 2016 after the locks to the Gillette Avenue
16 facility were changed, Dr. Ludwig Weimann was observed working
17 out of the facility, and conducting business, on behalf of Pharma Pak,
18 Inc.
19

20 72. As of March 4, 2016 Cahill and plaintiffs conspired to transfer
21 Karpinski’s account Erron Present to their new corporation, Life Tech
22 Global LLC (possibly doing business as Pharma Patch).
23
24

25 73. As of March 7, 2016 Ertan Aydinol is still producing machines
26 on behalf of Life Tech Global LLC (possibly doing business as
27 Pharma Patch).
28

1 74. As of March 8, 2016, Pharma Pak, Inc. operations, assets,
2 equipment, monies, and Karpinski's accounts had been moved to two
3 new locations.
4

5 75. 17802 Sky Park Circle Unit 100 and Unit 200 in Irvine,
6 California. No licensing, business or otherwise, exists for the
7 corporations performing business at this location.
8

9 76. 2929 Oceanside Boulevard in Oceanside, California. No
10 licensing, business or otherwise, exists for the corporations
11 performing business at this location.
12

13 77. As of April 9, 2016 another Karpinski account, RX Green,
14 contacted Karpinski, and confirmed that Plaintiffs have relocated their
15 operations 2929 Oceanside Boulevard in Oceanside, California, He
16 further stated that Plaintiffs are currently producing "nutraceutical
17 patches for Kazakhstan" among other goods, in a facility that is
18 unlicensed with regulatory bodies. Furthermore, RX Green was
19 unhappy that Cahill and Plaintiffs had circumvented RX Green, and
20 taken the space RX Green had already leased.
21
22
23
24

25 78. As of April 10, 2016 a second Karpinski account, Present
26 Naturals, contacted Karpinski and confirmed that Pharma Pak, Inc.'s
27 successor corporation is conducting business from this Oceanside
28

1 facility. Erron Present of Present Naturals texted Karpinski, "I am
 2 having a problem with Bruce and company .I'm ready to rock and roll
 3 and they want to change contract [sic] and make me wait months I
 4 need someone do u [sic] know if Paul is doing anything". Attached as
 5 Exhibit FF is a true and correct copy of Present's text message to
 6 Karpinski on April 10, 2016 at 3:49pm.
 7
 8

9 79. As of May 1, 2016 Cahill and Plaintiffs are still conducting
 10 business that would otherwise have belonged to Pharma Pak, Inc.
 11 Inc, under the new name of Life Tech Global LLC (possible doing
 12 business as Pharma Patch.)
 13
 14

15
 16 FIRST CLAIM FOR RICO BY ALL CROSS-COMPLAINANT AGAINST ALL
 17 CROSS-DEFENDANTS
 18

19 80. CROSS-COMPLAINANT re-alleges each and every allegation
 20 contained in ¶¶ 1 – 79.

21 81. Cross-Complainant is informed and based upon believed allege that
 22 these Cross-Defendants have committed the following illegal and criminal
 23 actions:

- 24 a. Embezzlement of \$900,000 cash and \$100,000 worth of equipment
 25 from the company
- 26 b. Theft of trade secrets from the company
- 27 c. Production of illegal schedule 1 drugs on the Controlled Substance
 28 Act ("THC").

- d. Transportation and distribution of said illegal drugs (THC) across state lines and international borders,
- e. Patent Infringement
- f. Breaking and entering and the theft of \$600,000 worth of products from Medipatch
- g. Assault and Battery on a female employee
- h. Sexually harassed a female employee
- i. Forgery of documents for the purpose of obtaining a loan on real property while using false and fraudulent forged documents to give to the bank for a \$5,00,000 loan without adequate income to secure the loan. Cahill forged Edalat's signature on a purported lease of one of Cahill's property so that he could show the income. Thereby committing bank fraud.
- j. Cross-Defendants are producing pills and patches at their Oceanside location which has not been approved by FDA and California Department of Public Health (CDPH). These agencies are tasked with oversight of all facilities which produce such products and it is illegal to manufacture such products without the building, its location and other requirements for testing the products and securing samples in special rooms for inspection by these two departments.

82. EMBEZZLEMENT UNDER CALIFORNIA PENAL CODE 503 & 504

"Embezzlement is the fraudulent appropriation of property by a person to whom it has been entrusted."

Cite as Ca. Pen. Code § 503

1 *“Every officer of this state, or of any county, city, city and*
 2 *county, or other municipal corporation or subdivision thereof,*
 3 *and every deputy, clerk, or servant of that officer, and every*
 4 *officer, director, trustee, clerk, servant, or agent of any*
 5 *association, society, or corporation (public or private), who*
 6 *fraudulently appropriates to any use or purpose not in the due*
 7 *and lawful execution of that person's trust, any property in his or*
 8 *her possession or under his or her control by virtue of that trust,*
 9 *or secretes it with a fraudulent intent to appropriate it to that use*
 10 *or purpose, is guilty of embezzlement.*

14 Cite as Ca. Pen. Code § 504

16 83. *VIOLATION OF 18 USC 1961*

17 *“As used in this chapter - "racketeering activity" means (A) any*
 18 *act or threat involving murder, kidnapping, gambling, arson,*
 19 *robbery, bribery, extortion, dealing in obscene matter, or*
 20 *dealing in a controlled substance or listed chemical (as defined*
 21 *in section 102 of the Controlled Substances Act), which is*
 22 *chargeable under State law and punishable by imprisonment*
 23 *for more than one year; (B) any act which is indictable under*
 24 *any of the following provisions of title 18, United States Code:*
 25 *Section 201 (relating to bribery), section 224 (relating to sports*
 26 *bribery), sections 471, 472, and 473 (relating to counterfeiting),*
 27 *section 659 (relating to theft from interstate shipment) if the act*
 28

1 *indictable under section 659 is felonious, section 664 (relating*
2 *to embezzlement from pension and welfare funds), sections*
3 *891-894 (relating to extortionate credit transactions), section*
4 *1028 (relating to fraud and related activity in connection with*
5 *identification documents), section 1029 (relating to fraud and*
6 *related activity in connection with access devices), section 1084*
7 *(relating to the transmission of gambling information), section*
8 *1341 (relating to mail fraud), section 1343 (relating to wire*
9 *fraud), section 1344 (relating to financial institution fraud),*
10 *section 1425 (relating to the procurement of citizenship or*
11 *nationalization unlawfully), section 1426 (relating to the*
12 *reproduction of naturalization or citizenship papers), section*
13 *1427 (relating to the sale of naturalization or citizenship*
14 *papers), sections 1461-1465 (relating to obscene matter),*
15 *section 1503 (relating to obstruction of justice), section 1510*
16 *(relating to obstruction of criminal investigations), section 1511*
17 *(relating to the obstruction of State or local law enforcement),*
18 *section 1512 (relating to tampering with a witness, victim, or an*
19 *informant), section 1513 (relating to retaliating against a*
20 *witness, victim, or an informant), section 1542 (relating to false*
21 *statement in application and use of passport), section 1543*
22 *(relating to forgery or false use of passport), section 1544*
23 *(relating to misuse of passport), section 1546 (relating to fraud*
24 *and misuse of visas, permits, and other documents), sections*
25 *1581-1592 (relating to peonage, slavery, and trafficking in*
26 *persons).,^[1] section 1951 (relating to interference with*
27 *commerce, robbery, or extortion), section 1952 (relating to*
28 *racketeering), section 1953 (relating to interstate transportation*

1 of wagering paraphernalia), section 1954 (relating to unlawful
 2 welfare fund payments), section 1955 (relating to the prohibition
 3 of illegal gambling businesses), section 1956 (relating to the
 4 laundering of monetary instruments), section 1957 (relating to
 5 engaging in monetary transactions in property derived from
 6 specified unlawful activity), section 1958 (relating to use of
 7 interstate commerce facilities in the commission of murder-for-
 8 hire), section 1960 (relating to illegal money transmitters),
 9 sections 2251, 2251A, 2252, and 2260 (relating to sexual
 10 exploitation of children), sections 2312 and 2313 (relating to
 11 interstate transportation of stolen motor vehicles), sections
 12 2314 and 2315 (relating to interstate transportation of stolen
 13 property), section 2318 (relating to trafficking in counterfeit
 14 labels for phono records, computer programs or computer
 15 program documentation or packaging and copies of motion
 16 pictures or other audiovisual works), section 2319 (relating to
 17 criminal infringement of a copyright), section 2319A (relating to
 18 unauthorized fixation of and trafficking in sound recordings and
 19 music videos of live musical performances), section 2320
 20 (relating to trafficking in goods or services bearing counterfeit
 21 marks), section 2321 (relating to trafficking in certain motor
 22 vehicles or motor vehicle parts), sections 2341-2346 (relating to
 23 trafficking in contraband cigarettes), sections 2421-24 (relating
 24 to white slave traffic), sections 175-178 (relating to biological
 25 weapons), sections 229-229F (relating to chemical weapons),
 26 section 831 (relating to nuclear materials), (C) any act which is
 27 indictable under title 29, United States Code, section 186
 28 (dealing with restrictions on payments and loans to labor

1 organizations) or section 501 (c) (relating to embezzlement
 2 from union funds), (D) any offense involving fraud connected
 3 with a case under title 11 (except a case under section [157](#) of
 4 this title), fraud in the sale of securities, or the felonious
 5 manufacture, importation, receiving, concealment, buying,
 6 selling, or otherwise dealing in a controlled substance or listed
 7 chemical (as defined in section 102 of the Controlled
 8 Substances Act), punishable under any law of the United
 9 States, (E) any act which is indictable under the Currency and
 10 Foreign Transactions Reporting Act, (F) any act which is
 11 indictable under the Immigration and Nationality Act, section
 12 274 (relating to bringing in and harboring certain aliens), section
 13 277 (relating to aiding or assisting certain aliens to enter the
 14 United States), or section 278 (relating to importation of alien
 15 for immoral purpose) if the act indictable under such section of
 16 such Act was committed for the purpose of financial gain, or (G)
 17 any act that is indictable under any provision listed in section
 18 2332b (g)(5)(B);

19 1962. Prohibited activities

20 Cite as 18 U.S.C. 1962

21 (a) It shall be unlawful for any person who has received any
 22 income derived, directly or indirectly, from a pattern of
 23 racketeering activity or through collection of an unlawful debt in
 24 which such person has participated as a principal within the
 25 meaning of section 2, title 18, United States Code, to use or
 26 invest, directly or indirectly, any part of such income, or the
 27 proceeds of such income, in acquisition of any interest in, or the
 28 establishment or operation of, any enterprise which is engaged

1 *in, or the activities of which affect, interstate or foreign*
2 *commerce. A purchase of securities on the open market for*
3 *purposes of investment, and without the intention of controlling*
4 *or participating in the control of the issuer, or of assisting*
5 *another to do so, shall not be unlawful under this subsection if*
6 *the securities of the issuer held by the purchaser, the members*
7 *of his immediate family, and his or their accomplices in any*
8 *pattern or racketeering activity or the collection of an unlawful*
9 *debt after such purchase do not amount in the aggregate to one*
10 *percent of the outstanding securities of any one class, and do*
11 *not confer, either in law or in fact, the power to elect one or*
12 *more directors of the issuer.*

13 *(b) It shall be unlawful for any person through a pattern of*
14 *racketeering activity or through collection of an unlawful debt to*
15 *acquire or maintain, directly or indirectly, any interest in or*
16 *control of any enterprise which is engaged in, or the activities of*
17 *which affect, interstate or foreign commerce.*

18 *(c) It shall be unlawful for any person employed by or*
19 *associated with any enterprise engaged in, or the activities of*
20 *which affect, interstate or foreign commerce, to conduct or*
21 *participate, directly or indirectly, in the conduct of such*
22 *enterprise's affairs through a pattern of racketeering activity or*
23 *collection of unlawful debt.*

24 *(d) It shall be unlawful for any person to conspire to violate*
25 *any of the provisions of subsection (a), (b), or (c) of this section.*

26
27
28 *1964. Civil remedies*

1 *The district courts of the United States shall have*
 2 *jurisdiction to prevent and restrain violations of section*
 3 *1962 of this chapter by issuing appropriate orders,*
 4 *including, but not limited to: ordering any person to divest*
 5 *himself of any interest, direct or indirect, in any*
 6 *enterprise; imposing reasonable restrictions on the future*
 7 *activities or investments of any person, including, but not*
 8 *limited to, prohibiting any person from engaging in the*
 9 *same type of endeavor as the enterprise engaged in, the*
 10 *activities of which affect interstate or foreign commerce;*
 11 *or ordering dissolution or reorganization of any*
 12 *enterprise, making due provision for the rights of*
 13 *innocent persons.*

14 *The Attorney General may institute proceedings under*
 15 *this section. Pending final determination thereof, the*
 16 *court may at any time enter such restraining orders or*
 17 *prohibitions, or take such other actions, including the*
 18 *acceptance of satisfactory performance bonds, as it shall*
 19 *deem proper.*

20 *Any person injured in his business or property by reason*
 21 *of a violation of section 1962 of this chapter may sue*
 22 *therefor in any appropriate United States district court*
 23 *and shall recover threefold the damages he sustains and*
 24 *the cost of the suit, including a reasonable attorney's fee,*

25 ...

26
 27 84. *California Corporations Code Section §2253:*
 28

1 *“Any director of a stock corporation, domestic or foreign, who concurs*
2 *in any vote or act of the directors of the corporation or any of them,*
3 *knowingly and with dishonest or fraudulent purpose, to make any*
4 *dividend or distribution of assets except in the cases and in the*
5 *manner allowed by law, either with the design of defrauding creditors*
6 *or shareholders or of giving a false appearance to the value of the*
7 *stock and thereby defrauding subscribers or purchasers, is guilty of a*
8 *misdemeanor, punishable by a fine of not more than one thousand*
9 *dollars (\$1,000) or imprisonment for not more than one year or both.”*
10 *California Corporations Code §2254.*

11 *Every director, officer or agent of any corporation, domestic or*
12 *foreign, is guilty of a felony (a) who knowingly concurs in making,*
13 *publishing or posting either generally or privately to the shareholders*
14 *or other persons (1) any written report, exhibit, statement of its affairs*
15 *or pecuniary condition or notice containing any material statement*
16 *which is false, or (2) any untrue or willfully or fraudulently*
17 *exaggerated report, prospectus, account, statement of operations,*
18 *values, business, profits, expenditures or prospects, or (3) any other*
19 *paper or document intend to produce or give, or having a tendency to*
20 *produce or give, the shares of stock in such corporation a greater*
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1 *value or a less apparent or market value than they really possess, or*
2 *(b) who refuses to make any book entry or post any notice required*
3 *by the law in manner required by law.*
4

5 85. Cross-Complainant did not know at the time she took this job that
6 Cross-Defendants were in a complicity to violate US laws dealing with
7 the illegal manufacturing of drugs and selling them across both state and
8 international borders.

9 86. CROSS-DEFENDANTS have conspired to steal the business started
10 by Edalat. The purpose of this was so that they could steal intellectual
11 property, assets, and cash in order to manufacture illegal Schedule 1
12 drugs on the Controlled Substance Act.

13 87. The Majority Shareholder, Paul Edalat, notified law enforcement of
14 the illegal activities and law enforcement found a significant amount of
15 THC liquid hidden in the building by Cahill and the other Cross-
16 Defendants

17 88. Immediately upon finding out that the police had been called and
18 taken their hidden illegal product the Cross-Defendants fired these
19 CROSS-COMPLAINANTS. Cross-Defendants then moved their
20 operations to two additional locations: 2929 Oceanside Blvd in Oceanside
21 California, and 17802 Sky Park Circle in Irvine, California. At these
22 locations they are producing, with Pharma Pak, Inc. owned equipment
23 and intellectual property, illegal Schedule 1 drugs, and unregistered
24 medical devices.

25 89. Additionally, these CROSS-DEFENDANTS have used the wire
26 services, US Mail services, committed bank, wire, and postal fraud in their
27 criminal actions and activities. They have also embezzled more than
28

1 \$1,000,000 in cash and assets from Pharma Pak, Inc and its rightful
2 shareholders.

3 90. Cross-Complainant took this job and had to move to be near the
4 location of the business. She had relocation expenses, she had other
5 travel expenses which were not reimbursed. She was humiliated by Cahill
6 and co-conspirators because they "knew that they were above the law."
7 All laws, including laws created by the U.S. Government for the
8 manufacturing of illegal THC and its sales outside the state of California
9 and the borders of the United States of America. She has also been
10 damaged because she did not receive her last pay check, her severance
11 package or the rights to obtain stock under her stock option agreement
12 with the company

13 91. As a direct result of this conspiracy and illegal acts, the CROSS-
14 DEFENDANTS have damaged Cross-Complainant in an undetermined
15 amount, but at least over \$100,000. Pursuant to the RICO statutes Edalat
16 would be entitled to damages of three times that amount plus the actual
17 amount of the damages, bringing these damages to a total of \$400,000
18 or more according to proof at time of trial against these CROSS-
19 DEFENDANTS.

20
21
22
23 THE FOLLOWING CLAIMS FOR RELIEF ARE BASED UPON THE
24 FACTS THAT CAHILL AND HIS OTHER CO-CONSPIRATORS WERE
25 ACTING IN CONCERT AND ALL ACTS CLAIMS HEREUNDER ARE
26 ACTS RELATED TO THE FEDERAL ISSUE PRESENTED HEREIN
27 UNDER FEDERAL RULES OF CIVIL PROCEDURES 13, 14, 18, 19 & 20.
28

1
2 SECOND CLAIM FOR WRONGFUL TERMINATION BY ALL CROSS-
3 COMPLAINANTS AGAINST ALL CROSS-DEFENDANTS

4 92. CROSS-COMPLAINANTS re-alleges each and every allegation
5 contained in ¶¶ 1 – 91.

6 93. CROSS-COMPLAINANT and her co-workers were terminated
7 because they notified their majority shareholder of illegal activities
8 happening at the business and that these Cross-Defendants were
9 responsible for the illegal activities.

10 94. The Majority Shareholder, Paul Edalat, notified the police of the
11 illegal activities and the police investigated and found a massive
12 amount of THC liquid hidden in the building by Cahill and the other
13 Cross-Defendants

14 95. Immediately upon finding out that the police had been called and
15 taken their hidden illegal product the Cross-Defendants fired the
16 CROSS-COMPLAINANT.

17 96. This is textbook wrongful termination because it was a retaliation
18 against all of these employees for doing their legal duty in calling the
19 police to the fact that a crime was happening in the building by these
20 Cross-Defendants.

21 97. The CROSS-COMPLAINANT has been damaged by the actions
22 of these Cross-Defendants, in an amount to be proven at time of trial.

23
24 THIRD CLAIM FOR BREACH OF THE COVENANT OF GOOD FAITH
25 AND FAIR DEALINGS
26 AGAINST ALL CROSS-DEFENDANTS

27 98. CROSS-COMPLAINANT re-alleges each and every allegation
28 contained in ¶¶ 1 – 97.

1 99. In every contract in California there is a covenant of Good Faith
2 and Fair Dealings.

3 100. Cahill, Scott, Cullen, and Franco Breach Covenant of Good Faith
4 and Fair Dealings to the CROSS-COMPLAINANT by the following
5 acts:

6 a. They fired the Cross-Complainant because she refused to violate
7 the law and allow them to commit criminal activities on the
8 premises where they worked.

9 b. Cahill sexually harassed Karpinski and created a hostile work
10 environment.

11 c. All other actions alleged in paragraphs 1 through 90 inclusive.

12 101. All of the Cahill actions were part of his continued conspiracy to
13 get Ms. Karpinski to either become a co-conspirator or to eliminate her
14 from the company so that he could continue his illegal actions.

15 102. The CROSS-COMPLAINANT has been damaged by the actions
16 of these Cross-Defendants, in an amount to be proven at time of trial.

17
18 FORTH CLAIM FOR WRONGFUL TERMINATION BY CROSS-
19 COMPLAINANT OLIVIA KARPINSKI AGAINST CROSS-DEFENDANT
20 BRUCE CAHILL

21 103. CROSS-COMPLAINANT KARPINSKI re-alleges each and every
22 allegation contained in ¶¶ 1 – 102.

23 104. CROSS-COMPLAINANT was terminated because she refused
24 the sexual advances of Cahill. Cahill was her immediate supervisor
25 and there was no one she could go to in the company.

26 105. Immediately upon finding out that the police had been called and
27 taken their hidden illegal product the Cross-Defendant CAHILL fired
28

1 KARPINSKI in the hopes of silencing her and to hide the fact of his
2 sexual assault on her.

3 106. This is textbook wrongful termination because it was a retaliation
4 against this employee for doing her legal duty in calling the police to
5 the fact that a crime was happening in the building by these Cross-
6 Defendants. Additionally, since she refused to play his games and to
7 give him sex he fired her.

8 107. OLIVIA KARPINSKI has been damaged by the actions of these
9 Cross-Defendants, in an amount to be proven at time of trial.

10 FIFTH CLAIM FOR ASSAULT BY CROSS-COMPLAINANT OLIVIA
11 KARPINSKI AGAINST CROSS-DEFENDANT BRUCE CAHILL

12 108. CROSS-COMPLAINANT KARPINSKI re-alleges each and every
13 allegation contained in ¶¶ 1 – 107.

14 109. CROSS-COMPLAINANT was touched and continuously feared
15 that the improper touching would continue.

16 110. The touching was not authorized by Karpinski.

17 111. Karpinski did not consent to the touching; and

18 112. Karpinski was apprehensive at all times when in Cahill's
19 presence and afraid that he would harmed her and/or otherwise
20 offended by his conduct;

21 113. That a reasonable person in Karpinski's situation would have
22 been offended by the touching and/or the strong likelihood that Cahill
23 would continue his improper touching of Karpinski.]

24 114. OLIVIA KARPINSKI has been damaged by the actions of these
25 Cross-Defendants, in an amount to be proven at time of trial.

SIXTH CLAIM FOR BATTERY BY CROSS-COMPLAINANT OLIVIA
KARPINSKI AGAINST CROSS-DEFENDANT BRUCE CAHILL

115. CROSS-COMPLAINANT KARPINSKI re-alleges each and every
allegation contained in ¶¶ 1 – 114.

116. CROSS-COMPLAINANT was touched improper on numerous
occasions.

117. The touching was not authorized by Karpinski.

118. Karpinski did not consent to the touching; and

119. That a reasonable person in Karpinski's situation would have
been offended by the touching and/or the strong likelihood that Cahill
would continue his improper touching of Karpinski.]

120. OLIVIA KARPINSKI has been damaged by the actions of these
Cross-Defendants, in an amount to be proven at time of trial.

DEMAND FOR JURY TRIAL

Demand is hereby made by the Plaintiff for a trial by Jury.

WHEREFORE, Plaintiffs prays for judgment as follows:

1. General Damages according to proof.
2. Special Damages according to proof.
3. Punitive Damages according to proof.
4. Such other relief as the court deems proper.

DATED: August 9, 2016

THE JUSTICE LAW CENTER



BY _____

Lee H. Durst
Attorney for Plaintiffs

1 PROOF OF SERVICE
2 State of California, County of Orange

3 I am employed in the county and state aforesaid. I am over the age
4 of 18 and not a party to the within action. My business address is 23
5 Corporate Plaza, Suite 150, Newport Beach, CA 92660.

6 On August 9, 2016, I served the foregoing document described as:

7 CROSS-COMPLAINT / COUNTER - CLAIM

8 on the parties listed below in this action by placing a true copy thereof or
9 the originals via electronic mail through the ECF system of the United
10 States District Court to the following

11 JMarkham@markhamread.com, BZerner@markhamread.com, &

12 ERead@markhamread.com

13 Attorneys for Plaintiffs & Cross-Defendants

14 TOCOLLECT@aol.com

15 Attorney for Defendants and Cross-Complainants

16 DHamman@stuartkane.com

17 ATTORNEY FOR THE BANK

18 [X] BY ELECTRONIC MAIL. I caused the above document to be
19 electronically mailed through the ECF system of the United States District
20 Court. Executed on August 9, 2016, at Newport Beach, California.

21
22 [X] FEDERAL. I declare that I am employed in the office of a
23 member of the bar of this court at whose direction the service was made.

24 I declare under penalty of perjury under the laws of United
25 States and the State of California that the above is true and correct.

26 /S/ Lee H. Durst

27
28 _____
Lee H. Durst